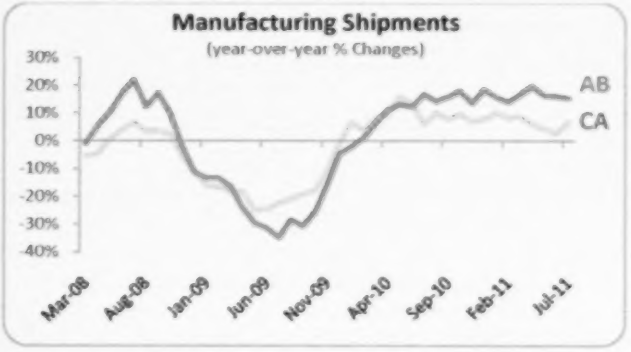
Manufacturing Shipments

Shipments pick up again...

Alberta's manufacturing shipments picked up by 3% in July, to $5.8 billion, following two consecutive months of decline. The improvement came from increases in shipments of fabricated metal products, chemicals, and petroleum & coal. Compared to July 2010, Alberta shipments were up 15.4%, while the year-to-date growth of 16.3% was the highest among the provinces. Canadian manufacturing shipments rose 2.7% in July and were up 6.9% over July 2010.



Resale Housing Market

Housing market remains balanced...

Following two consecutive monthly increases, Alberta's existing home sales slid 4.8% to 4,396 in August. So far this year, sales have advanced 6.3%. In terms of housing supply, the number of new listings in August edged up 1% to 9,057. However, with a sales-to-new listing ratio of 48.5%, the housing market remains balanced.

Average resale home prices in Alberta grew by 0.8% to $356,349 in August, which is a 2.3% increase over August 2010. At the national level, the average resale price edged up 0.1% to $362,652 in August and up 9.2% from August 2010.

New Motor Vehicle Sales

Sales decline in July...

In July, new motor vehicle sales in Alberta declined 7.9%, to 18,279 (seasonally adjusted), but were up 5.8% from a year ago. Nationally, new sales fell 6.2% last month to 132,386 and were down 1.5% from July 2010.

Canadian Economy

Capacity utilization down...

Canadian industrial capacity utilization fell 0.5 percentage points, to 78.4% in the second quarter. This is the first decline since the 2009 recession low of 70.1%. On a year-over-year basis, capacity utilization in all industires declined 2.4 percentage points.

Canadian Dollar (US¢/C$)	
September 16, 2011	101.90
September 9, 2011	100.29
2011-12 YTD	103.04
WTI Oil US$/bbl	
September 16, 2011	$87.96
September 9, 2011	$87.24
2011-12 YTD	$97.03
Nymex Natural Gas US$/MMBtu*	
Near-month Contract	
September 16, 2011	$3.81
September 9, 2011	$3.92

Estimate based on Nymex Futures Market Price

International investment in Canada continues to climb...

Canada's net international investment position decreased by $5.1 billion to -$217.8 billion in the second quarter, which signals increased net foreign demand for Canadian assets. Flight from risk in the global financial market continues to make Canadian securities attractive to foreign investors.

Household net worth falls...

Household net worth fell 0.3%, to 6.4 trillion, in the second quarter following a 1.4% increase in the previous quarter. An increase in the value of residential real estate was more than offset by declines in the value of household equities and pension assets. On a per capita basis, household net worth fell 0.6%, to $184,300.

US Economy

US inflation edges up in August...

Consumer prices in the US advanced 3.8% in August from a year ago. Although the CPI increase was higher than the consensus forecast, inflation does not pose much of a policy issue for the Federal Reserve's current monetary policy stance. US inflation is expected to moderate in the coming months due to slower growth and weakening commodity prices.

Global Economy

Central Banks to ease Eurozone stress...

Five[1] of the world's top central banks have agreed to extend short-term US dollar loans to Eurozone banks to help bolster liquidity for the European banks. The move intends to address fears that the banks in question will not be able to access short-term credit, if credit markets were to seize.

[1] The ECB, the U.S. Fed and the central banks of England, Japan and Switzerland

Current Economic Indicators

Population	2009	2010	2011YTD*	Mar	Apr	May	June	July	Aug
Population [1] (000's) (level)	3,671	3,721	3,758	--	3,758	--	--	--	--
% change	2.2	1.4	1.5	--	1.5	--	--	--	--
Net Interprovincial Migraton [1] (level)	13,184	-2,183	8,940	--	5,275	--	--	--	--
Net International Migration [1] (level)	16,835	21,533	15,143	--	4,149	--	--	--	--
Net Non-permanent Residents [1] (level)	19,162	-77	-8,872	--	-504	--	--	--	--
Labour Market									
Employment (000's)	2,025	2,017	2,077	2,064	2,060	2,069	2,091	2,103	2,110
% change	-1.3	-0.4	3.3	3.4	2.9	2.8	3.5	3.8	4.2
Unemployment Rate (%)	6.6	6.5	5.7	5.7	5.9	5.4	5.6	5.5	5.6
Participation Rate (%)	74.3	72.9	73.5	73.2	73.2	72.9	73.7	73.9	74.1
Average Weekly Earnings ($)	950.01	993.13	1032.90	1031.15	1032.26	1035.77	1041.45	--	--
% change	2.8	4.5	5.2	5.3	3.3	4.8	5.0	--	--
Price Indices									
Consumer Price Index	-0.1	1.0	2.0	2.0	3.0	2.8	2.1	1.9	--
Excluding food and energy	1.4	0.8	0.6	1.1	0.4	0.8	0.2	0.4	--
Non-Res. Building Cons. Price Index [2]	-9.8	-0.1	3.1	--	2.6	--	--	--	--
Farm Product Price Index	-10.6	-3.9	17.2	19.3	17.0	11.4	--	--	--
Crops	-18.9	-14.5	17.2	18.0	19.4	19.8	--	--	--
Livestock	-2.8	5.7	18.4	20.0	16.1	10.6	--	--	--
Household Sector									
Housing Starts (SAAR, 000's)	20.0	27.1	23.4	20.9	22.3	25.3	23.6	24.3	29.1
% change	-31.6	33.5	-17.3	-39.4	-24.1	-14.5	-11.9	-17.1	23.8
New Housing Price Index	-9.0	0.5	0.4	0.5	0.1	0.3	0.3	0.1	--
Edmonton	-11.2	-0.8	0.9	1.2	0.4	0.7	1.2	1.1	--
Calgary	-6.7	1.7	0.0	-0.1	-0.2	0.0	-0.3	-0.8	--
MLS Average Resale Prices ($ 000's)	340.5	350.9	353.9	348.8	360.1	351.7	351.7	353.6	356.3
% change	-3.1	3.1	0.3	-1.9	0.6	-2.4	-1.3	0.4	2.3
Edmonton	319.1	326.5	323.5	320.2	326.4	322.7	322.6	326.1	325.1
% change	-3.5	2.3	-2.0	-4.6	-4.2	-3.0	-1.8	0.0	-1.4
Calgary	384.3	397.4	401.3	393.4	404.4	403.7	399.3	399.2	404.8
% change	-4.2	3.4	0.8	-0.8	2.2	-1.3	-2.3	-0.9	3.4
Retail Sales	-8.3	6.0	6.0	4.3	7.5	7.9	7.4	--	--
New Motor Vehicle Sales	-21.7	9.3	8.1	11.4	9.0	6.8	16.6	5.8	--
Consumer Bankruptcies	9,986	8,150	3,800	680	640	617	649	--	--
% change	64.6	-18.4	-11.4	-12.4	-14.0	-8.2	-16.6	--	
Business Sector									
Rigs Drilling	128	207	259	366	123	84	150	240	323
% change	-45.6	61.3	40.0	66.6	100.4	50.4	26.9	20.8	45.2
Goods Exports (customs based)	-36.6	12.4	14.0	18.5	9.1	13.2	17.0	19.4	--
Energy	-40.2	17.2	15.5	21.6	6.5	15.8	17.8	23.5	--
Agriculture	-12.3	-14.4	4.5	-3.4	11.6	3.7	-0.3	8.4	--
Total Farm Cash Receipts (quarterly)	-8.0	-3.9	15.9	--	-11.1	--	--	--	--
Manufacturing Shipments	-23.7	11.0	16.3	16.7	19.5	16.3	16.1	15.4	--
Wholesale Trade	-15.9	10.8	14.5	13.3	9.7	17.0	18.6	--	--
Building Permits	-14.2	2.1	0.3	-12.6	-22.3	11.7	-14.9	17.7	--
Residential	-11.8	24.7	-10.0	-4.5	0.2	-10.2	-3.6	9.3	--
Non-residential	-16.3	-19.0	15.9	-24.4	-49.0	51.9	-26.1	31.6	--
Business Bankruptcies	405	378	117	26	17	22	16	--	--
% change	-9.4	-6.7	33.9	-45.8	-54.1	-37.1	-27.3	--	--

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Government of Alberta ■
Finance and Enterprise

Alberta

* YTD – year-to-date represents the change since the beginning of the year compared to the same period in the previous year.

1 Quarterly; annual numbers are presented on a census year basis (July 1 - June 30).

2 Quarterly, average of Calgary and Edmonton

Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (Office of the Superintendent of Bankruptcy Canada).

Current Economic Indicators by Province